

MACATAWA AREA COORDINATING COUNCIL

REPORT FOR THE YEAR ENDED

SEPTEMBER 30, 2005

De Boer, Baumann
& Company ^{P.L.C.}
Certified Public Accountants & Consultants

Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1986, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name MACATAWA AREA COORDIN. COUNCIL	County OTTAWA
Fiscal Year End 9/30/05	Opinion Date 11/8/05	Date Audit Report Submitted to State APPROX 2/11/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☒ ☐ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

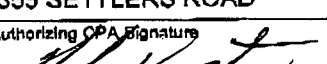
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>	SENT PREVIOUSLY	
The letter of Comments and Recommendations	<input type="checkbox"/>	NONE	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DE BOER, BAUMANN & COMPANY, PLC		Telephone Number (616) 496-1435	
Street Address 355 SETTLERS ROAD		City HOLLAND	State MI
		Zip 49423	
Authorizing CPA Signature 	Printed Name MARK A VEENSTRA	License Number 1101018557	

TABLE OF CONTENTS

	PAGE
MANAGEMENT'S DISCUSSION AND ANALYSIS	i – v
INDEPENDENT AUDITORS' REPORT	1
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	3
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	5
Statement of Activities	6
Balance Sheet – Governmental Fund	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	10
Balance Sheet – Proprietary Fund	11
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund	12
Statement of Cash Flows - Proprietary Fund	13
Notes to Financial Statements	14
REQUIRED SUPPLEMENTAL INFORMATION	
Special Revenue Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	24
OTHER SUPPLEMENTAL INFORMATION	
Special Revenue Fund	
Statement of Revenues	26
Statement of Expenditures	27
Proprietary Fund Types	
Statement of Nonoperating Revenues - Local	28
Statement of Nonoperating Revenues - Federal	29
Statement of Operating Expenses	30
Statement of Nonoperating Expenses	31

**Macatawa Area Coordinating Council
Management's Discussion and Analysis (Unaudited)
September 30, 2005 and 2004**

Using this Annual Report

The following represents the Management Discussion and Analysis ("MD&A") of the financial activities and performance of the Macatawa Area Coordinating Council (the "MACC"). The MD&A provides the reader with an introduction and overview to the basic financial statements of the MACC for the Fiscal Year ended September 30, 2005.

Following this MD&A are the basic financial statements of the MACC together with the notes and combined financial statements, which are essential to a full understanding of the MACC's financial performance. The Statement of Net Assets and the Statement of Activities provide information about the activities of the MACC as a whole and present a longer-term view of the MACC's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the MACC's operations in more detail than the government-wide financial statements.

FINANCIAL HIGHLIGHTS – THE MACC AS A WHOLE

- The MACC's total assets exceeded liabilities (net assets) by \$467,143 as of September 30, 2005 as compared to \$432,257 as of September 30, 2004. Of this amount, \$460,486 represents unrestricted net assets and may be used to meet future obligations.
- The MACC's net assets increased by \$34,886. The net assets of the governmental funds (Watershed Fund) increased by \$9,819. The net assets of the business-type funds (Transportation Fund) increased by \$25,067.
- As detailed later in the budgetary highlights, the primary reason for the increase in the net assets of the governmental funds was the decision to postpone filling vacancies in certain staff positions during Fiscal Year 2005.
- General revenues for all funds totaled \$263,050. Included in this amount are jurisdictional and watershed/stormwater dues of \$257,121 received from the local units of government who are members of the MACC. Investment income of \$5,929 is also included in the general revenues.
- Non-operating grants and contributions from Federal, State, and local sources for all funds totaled \$347,563. The governmental activities of the MACC accounted for \$132,249 of that revenue. The business-type activities of the MACC accounted for the balance of \$215,314 in program revenue.
- Operating expenses for all funds totaled \$575,727. Of this amount, \$232,910 was allocated to the governmental activities of the MACC. The remaining \$342,817 was allocated to the business-type activities of the MACC.

BASIC FINANCIAL STATEMENTS - OVERVIEW

The MACC's basic financial statements are comprised of the fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic combined financial statements.

The Government-Wide Financial Statements provide information about the activities of the whole government, presenting both an aggregate view of the government's finances and a longer-term view of those finances.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The MACC accounts for its activities in governmental and proprietary funds.

Governmental funds. Governmental activities reported in the financial statements consist of a single special revenue fund used to account for the activities of the Macatawa Watershed Project.

The basic governmental fund financial statements begin on page 7.

**Macatawa Area Coordinating Council
Management's Discussion and Analysis (Unaudited)
September 30, 2005**

Proprietary funds. Business-type activities reported in the financial statements consist of the Transportation Fund. A single enterprise fund is used by the MACC to account for its transportation planning activities.

The basic proprietary fund financial statements begin on page 11.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. These notes can be found on page 14 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain additional supplementary information concerning the activities of the MACC's funds during the Fiscal Year. Supplemental information begins on page 24 of this report.

FINANCIAL ANALYSIS

Statement of Net Assets: This statement presents information on all of the MACC's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may be a useful indicator of whether the financial position of the MACC is improving or deteriorating. Information on all MACC funds is detailed in the combined financial statements.

As noted in the financial highlights, the MACC's total assets exceeded liabilities (net assets) by \$467,143 as of September 30, 2005. With the exception of \$6,657 invested in capital assets, this amount is available to meet the future obligations of the MACC. The table below provides a summary of the MACC's net assets for 2005 compared to 2004:

	Primary Government Combined Activities FY 2005	Primary Government Combined Activities FY 2004	Increase (Decrease)	Percent Change
Current Assets	\$ 571,104	\$ 509,639	\$ 61,465	12%
Noncurrent Assets	16,499	26,124	(9,625)	-37%
Total Assets	587,603	535,763	51,840	10%
Long-Term Debt Outstanding	3,867	9,857	(5,990)	-61%
Other Liabilities	116,593	93,649	22,944	24%
Total Liabilities	120,460	103,506	16,954	16%
Net Assets				
Invested in Capital Assets--Net of Debt	6,657	10,505	(3,848)	-37%
Retained Earnings (Deficit)	422,737	395,555	27,182	7%
Unrestricted (Deficit)	37,749	26,197	11,552	44%
Total Net Assets	\$ 467,143	\$ 432,257	\$ 34,886	8%

**Macatawa Area Coordinating Council
Management's Discussion and Analysis (Unaudited)
September 30, 2005**

Statement of Activities: This statement shows the changes of the net assets during Fiscal Year 2005. Total revenues consist primarily of Federal and State of Michigan grants, along with local jurisdictional and watershed/stormwater dues. Federal, State, and local non-operating grants in Fiscal Year 2005 totaled \$347,563. General revenues consist of jurisdictional dues totaling \$257,121 and interest revenue in the amount of \$5,929. The net assets of the MACC as a whole increased by \$34,886. See the table below:

	Primary Government Combined Activities FY 2005	Primary Government Combined Activities FY 2004	Increase (Decrease)	Percent Change
Program Revenues				
Non-Operating Grants and Contributions	\$ 347,563	\$ 382,757	\$ (35,194)	-9%
General Revenues				
Jurisdictional Dues	257,121	285,327	(28,206)	-10%
Unrestricted Investment Earnings	5,929	2,969	2,960	100%
Total Revenues	610,613	671,053	(60,440)	-9%
Program Expenses				
Watershed	232,910	283,126	(50,216)	-18%
MPO/Transportation	342,817	330,465	12,352	4%
Total Expenses	575,727	613,591	(37,864)	-6%
Change in Net Assets	\$ 34,886	\$ 57,462	\$ (22,576)	-39%

COMBINED FUNDS BUDGETARY HIGHLIGHTS

The MACC Policy Committee approved the original combined budget for the Fiscal Year on September 27, 2004. Over the course of the year, the MACC Policy Committee amended the budget to take into account events as they became known.

The final budget amendment for the fiscal year included approximately \$100,000 in both additional revenue and expense related to the Great Lakes Basin Program grant for the Noordeloos Creek Demonstration Site. Our two primary goals for this project are to reduce sedimentation and soil erosion. The site includes design and construction of two separate wetland basins covering approximately five acres in Holland Charter Township.

The original budget included contingencies totaling \$10,000 that were not expended during the year. Additionally, management elected to postpone filling vacancies in certain staff positions during Fiscal Year 2005, resulting in a \$29,000 decrease in the final amounts approved for line items related to personnel expenses. This was a primary factor in the \$34,886 increase in unrestricted net assets of the MACC combined funds.

**Macatawa Area Coordinating Council
Management's Discussion and Analysis (Unaudited)
September 30, 2005**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. On September 30, 2005, the MACC's investment in capital assets for all funds amounted to \$16,499, net of accumulated depreciation, and consists of computer equipment and office furniture and fixtures. There were no purchases or dispositions of capital assets during Fiscal Year 2005.

Long-term debt. At September 30, 2005, the MACC had total long-term debt outstanding of \$3,867 as compared to \$9,857 total long term debt outstanding as of September 30, 2004. This obligation relates to two capital leases for the MACC's copier equipment.

Additional information on the MACC's capital assets and long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Availability of Federal, State, and local revenues is essential to our budgeting process. The MACC recognizes that current economic conditions have negatively impacted some of its revenue sources, and therefore understands the need to continue to carefully monitor its budget.

For Fiscal Year 2006, on July 25, 2005, the MACC Policy Committee approved a total combined budgeted expense of \$687,169 for all funds. The budget reflects the award of a Section 319 grant to the Watershed Project by the Michigan Department of Environmental Quality (MDEQ). The grant is for a two-year period ending early in calendar year 2007, and is an integral tool toward reaching the phosphorus reduction goals of the Macatawa Watershed Plan.

The MACC also received permission from the MDEQ to extend the Watershed Project's CMI Monitoring grant into Fiscal Year 2006. The CMI Monitoring grant revenue is being used for an assessment of the sources of excess phosphorus content in Lake Macatawa. This important research is being conducted in partnership with Hope College and the Grand Valley State University's Annis Water Resources Institute.

The Fiscal Year 2006 budget also includes revenues and expenses for planning and land use. The Long Range Plan Alternative Scenarios project will initiate a traffic modeling analysis focused on future land development patterns and their impact on the transportation network. The Section 319 grant budget also includes \$20,000 for planning and land use studies, including example ordinances and training for local elected and appointed officials. Planning and land use studies will be funded by the Michigan Department of Transportation (MDOT), MDEQ, and local match.

A new committee, the Area Airport Authority Exploratory Committee, was formed during Fiscal Year 2005 and will continue into Fiscal Year 2006. Contributions toward this work have been received from local public and private sources.

In the original Fiscal Year 2006 budget, we anticipated that funding for our regular transportation planning activities for Fiscal Year 2006 would increase approximately 2% over Fiscal Year 2005. We recently received notification from MDOT that our allocation for Federal Highway Section PL 112 planning funds will actually increase approximately 32% over our Fiscal Year 2005 allocation.

This increase is reflected in the proposed budget amendment submitted to the MACC Policy Committee for its consideration on January 23, 2006. Other revenue and expense increases related to carryovers of the CMI

Monitoring and Great Lakes Basin Program grants are also included in the proposed budget amendment. The vote on the proposed budget amendment is scheduled for the February 27, 2006 MACC Policy Committee meeting.

Requests for Information

This financial report is designed to provide a general overview of the MACC's finances for all interested persons. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Macatawa Area Coordinating Council, 400 136th Avenue, Suite 416, Holland, MI 49424.

INDEPENDENT AUDITORS' REPORT

**To the Policy Committee
Macatawa Area Coordinating Council
Holland, MI**

We have audited the accompanying financial statements of the governmental activities and the business-type activities of Macatawa Area Coordinating Council, as of and for the year ended September 30, 2005, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Macatawa Area Coordinating Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and business-type activities of the Macatawa Area Coordinating Council, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2005, on our consideration of the Macatawa Area Coordinating Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages i – v and page 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Macatawa Area Coordinating Council's basic financial statements. The accompanying information identified in the table of contents and other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

DE BOER, BAUMANN & COMPANY, P.L.C.

De Boer, Baumann & Company, P.L.C.

Certified Public Accountants
Holland, Michigan
November 8, 2005

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

**To the Policy Committee
Macatawa Area Coordinating Council
Holland, MI**

We have audited the financial statements of the governmental activities and business-type activities of the Macatawa Area Coordinating Council as of and for the year ended September 30, 2005, which collectively comprise the Macatawa Area Coordinating Council's basic financial statements and have issued our report thereon dated November 8, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Macatawa Area Coordinating Council's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Macatawa Area Coordinating Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Policy Committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DE BOER, BAUMANN & COMPANY, P.L.C.

De Boer, Baumann & Company P.L.C.

Certified Public Accountants
Holland, Michigan
November 8, 2005

MACATAWA AREA COORDINATING COUNCIL
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank	\$ 48,176	\$ 327,654
Accounts Receivable	675	85
Due From Other Governmental Units	46,656	143,416
Prepaid Expenses	<u>-</u>	<u>4,442</u>
TOTAL CURRENT ASSETS	<u>95,507</u>	<u>475,597</u>
NON CURRENT ASSETS		
Office Equipment	24,973	114,185
Less: Accumulated Depreciation	<u>23,230</u>	<u>99,429</u>
TOTAL NONCURRENT ASSETS	<u>1,743</u>	<u>14,756</u>
TOTAL ASSETS	<u>\$ 97,250</u>	<u>\$ 490,353</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 11,556	\$ 20,013
Accrued Salaries & Wages	3,330	8,528
Accrued Payroll Taxes	255	13,926
Accrued Fringe Benefits	121	833
Accrued Compensated Absences	907	9,560
Deferred Revenue	41,589	-
Current Portion of Obligations Under Capital Lease	<u>-</u>	<u>5,975</u>
TOTAL CURRENT LIABILITIES	<u>57,758</u>	<u>58,835</u>
LONG TERM DEBT		
Obligations Under Capital Lease	<u>-</u>	<u>3,867</u>
NET ASSETS		
Invested in Capital Assets, net of related debt	1,743	4,914
Retained Earnings	-	422,737
Unrestricted	<u>37,749</u>	<u>-</u>
TOTAL NET ASSETS	<u>39,492</u>	<u>427,651</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 97,250</u>	<u>\$ 490,353</u>

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005

			Net (Expense) Revenue and Changes in Net Assets		
			Primary Government		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			
		<u>Operating and Nonoperating Grants and Contributions</u>	<u>Government Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government:					
Governmental Activities:					
Watershed	\$ 232,910	\$ 132,249	\$ (100,661)	\$ -	\$ (100,661)
Business-Type Activities					
Transportation	342,817	215,314	-	(127,503)	(127,503)
Total Primary Government	\$ 575,727	\$ 347,563	\$ (100,661)	\$ (127,503)	\$ (228,164)
General Revenues					
Jurisdictional Dues			110,000	147,121	257,121
Unrestricted Investment Earnings			480	5,449	5,929
Subtotal, General Revenues			110,480	152,570	263,050
Change in Net Assets			9,819	25,067	34,886
Net Assets - beginning of year			29,673	402,584	432,257
Net Assets - end of year			\$ 39,492	\$ 427,651	\$ 467,143

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2005

	<u>Special Revenue</u>
ASSETS	
Cash in Bank	\$ 48,176
Accounts Receivable	675
Due from Other Governmental Units	<u>46,656</u>
TOTAL ASSETS	<u>\$ 95,507</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts Payable	\$ 11,556
Accrued Salaries and Wages	3,330
Accrued Payroll Taxes	255
Accrued Fringe Benefits	121
Accrued Compensated Absences	907
Deferred Revenue	<u>54,080</u>
Total Current Liabilities	<u>70,249</u>
FUND EQUITY	
Fund Balance	<u>25,258</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 95,507</u>

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
GOVERNMENTAL FUND TYPES
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
September 30, 2005

Total Governmental Fund Balance	\$ 25,258
--	------------------

Amounts reported for governmental activities in the statement
of net assets are different because:

Revenue earned in current year for statement of activities that was not reported as governmental fund revenue for current year.	12,491
--	--------

Capital Assets used in governmental activities are not
financial resources and are not reported in the funds

Cost of Capital Assets	24,973	
Accumulated Depreciation	<u>(23,230)</u>	<u>1,743</u>

Net Assets of Governmental Activities	<u>\$ 39,492</u>
--	-------------------------

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended September 30, 2005

	<u>Special Revenue</u>
REVENUES	
Federal	\$ 75,432
State	20,626
Local	<u>139,180</u>
TOTAL REVENUES	<u>235,238</u>
EXPENDITURES	
Salaries and Benefits	87,453
Indirect Expenses	52,587
Contract Services	68,677
Supplies	13,128
Other	<u>9,332</u>
TOTAL EXPENDITURES	<u>231,177</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,061
FUND BALANCE (DEFICIT) - OCTOBER 1, 2004	<u>21,197</u>
FUND BALANCE - SEPTEMBER 30, 2005	<u>\$ 25,258</u>

See accompanying notes to financial statements.

**MACATAWA AREA COORDINATING COUNCIL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,061
---	-----------------

Amounts reported for governmental activities in
the statement of activities are different because:

Governmental funds report capital outlay as expenditures;
in the statement of activities, these costs are allocated
over their estimated useful lives as depreciation.

Depreciation Expense	(1,733)
Capital Outlay	-

Revenue earned in current year for statement of activities that was not reported as governmental fund revenue for current year.	12,491
--	--------

Revenue earned in prior year for the statement of activities that was not reported as governmental fund revenue until the current year.	<u>(5,000)</u>
--	----------------

Change in Net Assets of Governmental Activities	<u>\$ 9,819</u>
--	------------------------

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
BALANCE SHEET - PROPRIETARY FUND
September 30, 2005

ASSETS

Cash in Bank	\$ 327,654
Accounts Receivable	85
Due from Other Governmental Units	143,416
Prepaid Expenses	4,442
Property and Equipment	114,185
Accumulated Depreciation	<u>(99,429)</u>

TOTAL ASSETS

\$ 490,353

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts Payable	\$ 20,013
Current Portion of Obligations Under Capital Lease	5,975
Accrued Salaries and Wages	8,528
Accrued Payroll Taxes	13,926
Accrued Fringe Benefits	833
Accrued Compensated Absences	<u>9,560</u>

Total Current Liabilities

58,835

OBLIGATIONS UNDER CAPITAL

LEASE, net of current portion

3,867

FUND EQUITY

Retained Earnings	<u>427,651</u>
-------------------	----------------

**TOTAL LIABILITIES
AND FUND EQUITY**

\$ 490,353

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND
Year Ended September 30, 2005

	Enterprise Fund
OPERATING REVENUES	\$ -
OPERATING EXPENSES	<u>394,536</u>
OPERATING INCOME (LOSS)	(394,536)
NONOPERATING REVENUES - LOCAL	205,157
NONOPERATING REVENUES - FEDERAL AND STATE	215,314
NONOPERATING EXPENSES	<u>(868)</u>
NET INCOME	25,067
RETAINED EARNINGS - OCTOBER 1, 2004	<u>402,584</u>
RETAINED EARNINGS - SEPTEMBER 30, 2005	<u>\$ 427,651</u>

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended September 30, 2005

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Grantors	\$ 380,184
Payments to Vendors	(196,374)
Payments to Employees	(180,428)
Other Receipts	<u>5,449</u>
Net cash provided by operating activities	8,831
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal on capital lease obligations	<u>(5,777)</u>
Net increase in cash	3,054
CASH AT BEGINNING OF YEAR	<u>324,600</u>
CASH AT END OF YEAR	<u>\$ 327,654</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Increase (decrease) in retained earnings	\$ 25,067
Adjustments to reconcile net income to net cash flows provided by operating activities	
Depreciation	7,892
Decrease in accounts receivable	58
Increase in due from other governmental units	(34,896)
Decrease in prepaid expenses	2,397
Increase in accounts payable	2,347
Increase in accrued liabilities	<u>5,966</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 8,831</u>

See accompanying notes to financial statements.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Macatawa Area Coordinating Council is a Metropolitan Planning Organization and is an area wide association of governmental units in the Holland/Zeeland area organized to encourage cooperation among neighboring governmental units on area wide issues.

The financial statements of the Macatawa Area Coordinating Council have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (M D & A) section providing an analysis of the Council's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Council's activities.

A change in the fund financial statement to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Council also implemented GASB #33, *Accounting and Financial Reporting for Non-exchange Transactions*. The pronouncement defines revenue recognition for non-exchange transactions at the fund and governmental levels.

A. Reporting Entity

The Macatawa Area Coordinating Council (MACC) was formed to deal with the challenges of growth and the need for more regional cooperation and planning regarding matters of mutual concern such as transportation, housing, land use, and quality of life for area citizens. Included in the membership are the cities of Holland and Zeeland, the townships of Park, Holland, Zeeland, Fillmore, Laketown, Port Sheldon and Olive, the counties of Allegan and Ottawa, the road commissions of Allegan and Ottawa County, and the Michigan Department of Transportation (MDOT).

The fiscal year 2005 Unified Work Program (UWP) describes the urban transportation planning activities and budgets for the Macatawa Area Coordinating Council/Metropolitan Planning Organization for the time period of October 1, 2004 to September 30, 2005.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

A federal grant program was initiated in fiscal year 1997 to monitor water quality and develop a phosphorus reduction strategy for the Macatawa Watershed.

B. Basic Financial Statements

Government-Wide Statements

The Council's basic financial statements include both government-wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). The government-wide financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts, invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Council first utilizes restricted resources to finance qualifying activities.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than program revenue. Likewise, general revenue includes jurisdictional dues received from local units of government.

The net costs (by function) are normally covered by general revenue (jurisdictional dues and interest income).

The Council allocates indirect costs based on indirect cost rates per an approved cost allocation plan. Accordingly, approximately 71% of these costs are allocated to Transportation programs and the remaining 29% are allocated to the Watershed program.

The government-wide financial statements focus on the sustainability of the Council as an entity and the change in the Council's net assets resulting from the current year's activities.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, into generic fund types in two broad fund categories as follows:

Major Governmental Fund

Special Revenue Fund - accounts for the activities of the Watershed project.

Major Proprietary Funds

Enterprise Fund - accounts for the transportation operations in a manner similar to a private business. Revenues are matched with expenses and net income is determined using accrual accounting methods.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Modified Accrual (Continued)

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the Macatawa Area Coordinating Council available means expected to be received within sixty days of the fiscal year-end.

Expenditures are generally recognized when the fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt is recognized when due.

D. Capital Assets

The Council has adopted a capitalization policy that considers individual items with a value greater than \$ 1,000 as capital assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized

Depreciation on all assets is provided on the straight-line method over the useful life of the assets:

Purchased Equipment	3 - 7 years
Donated Equipment	3 years

Other accounting policies are disclosed as appropriate in other notes to the financial statements.

E. Cash Flows

For purposes of the Statement of Cash Flows, the MACC considers all short term investments with an original maturity of three months or less to be cash equivalents. The carrying amounts approximate fair value.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accrued Fringe Benefits

The Council has accrued a liability for certain fringe benefit expenses to be paid after year end. These benefits include the Council's match on employee contributions to the MACC's 457(b) retirement plan.

G. Accrued Compensated Absences

Absences are allowed to accrue for vacation time, sick time and personal leave time and must be paid by the Organization to an employee who resigns or is terminated. Vacation pay is vested as earned by the employee. Unpaid accrued vacation is payable in full upon termination or resignation of the employee. Sick pay may accrue to a maximum of 24 days (192 hours). Unpaid accrued sick pay is payable at 50% of regular pay upon termination or resignation of the employee. Personal leave pay may accrue to a maximum of four days (32 hours). Unpaid accrued personal pay is payable in full upon termination or resignation of the employee. All of the above listed benefits are payable contingent upon successful job performance. As of September 30, 2005 compensated absences amounted to \$ 10,467.

H. Legal and Budget Requirements

The Michigan Uniform Budgeting Act requires that the Special Revenue Fund establish an annual budget adopted by the board at the beginning of the fiscal year.

State law requires operation under a balanced budget and budgetary control to the functional, activity or line item level as defined in the Uniform Budgeting and Accounting Act. The budget figures in the accompanying financial statements have been reported on a Function and Fund basis and reflect approved amendments during the year.

The Policy Committee of the MACC approves the combined budget.

The final amended budget for the Enterprise Fund and the Watershed Project was approved September 26, 2005.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. The Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Public Act 217 of 1982 authorizes the MACC to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations of the United States or commercial paper of certain investment quality. Michigan law prohibits securities in the form of collateral, surety bond or other forms for the deposit of public money.

Balances at September 30, 2004 relating to cash are as follows:

	<u>Financial Statement Balances</u>	<u>Bank Balances</u>
Petty Cash	\$ 200	\$ -
Business Checking	325,054	356,212
Certificate of Deposit	50,576	50,576
	<u>\$ 375,830</u>	<u>\$ 406,788</u>

The MACC maintains its cash balances in one financial institution located in Holland, Michigan. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2005, the uninsured cash balances total \$ 306,788. Petty cash is not covered by federal depository insurance.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2005 consist of the following:

Special Revenue Fund	<u>\$ 675</u>
Enterprise Fund	<u>\$ 85</u>

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 4: DUE FROM/TO OTHER GOVERNMENTAL UNITS

This account consists of amounts due from the following governmental units:

Special Revenue Fund

Michigan Department of Environmental Quality	<u>\$ 46,656</u>
--	------------------

Enterprise Fund

Michigan Department of Transportation	
FHWA PL 112	27,546
FTA Section 5303	34,319
Traffic Count Program	42,000
CMAQ	30,000
State Trunk Line – Asset Mgmt	2,761
Non-Motorized Enhancement Plan	6,790
Total	<u>\$ 143,416</u>

NOTE 5: CAPITAL ASSETS

PROPRIETARY FUND TYPES

The following is a summary of the changes in fixed assets:

	<u>Balance 10/01/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 9/30/05</u>
Equipment	\$ 83,580	\$ -	\$ -	\$ 83,580
Donated Equipment	<u>30,605</u>	<u>-</u>	<u>-</u>	<u>30,605</u>
Totals	<u>114,185</u>	<u>-</u>	<u>-</u>	<u>114,185</u>
Accumulated Depreciation				
Equipment	62,184	7,391	-	69,575
Donated Equipment	<u>29,353</u>	<u>501</u>	<u>-</u>	<u>29,854</u>
Totals	<u>91,537</u>	<u>7,892</u>	<u>-</u>	<u>99,429</u>
Net Book Value	<u>\$ 22,648</u>	<u>\$ (7,892)</u>	<u>\$ -</u>	<u>\$ 14,756</u>

Depreciation for fiscal year ended September 30, 2005 amounted to \$ 7,892, and is allocated directly to MDOT Activities.

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 5: CAPITAL ASSETS (CONTINUED)

SPECIAL REVENUE FUND

The following is a summary of the changes in fixed assets:

	<u>Balance</u> <u>10/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/05</u>
Office Equipment	\$ 24,973	\$ -	\$ 2,750	\$ 22,223
Accumulated Depreciation	\$ 21,497	\$ 1,733	\$ 2,750	\$ 20,480
Net Book Value	<u>\$ 3,476</u>	<u>\$ (1,733)</u>	<u>\$ -</u>	<u>\$ 1,743</u>

Depreciation for fiscal year ended September 30, 2005 amounted to \$ 1,733, and is allocated directly to Watershed Activities.

NOTE 6: CAPITAL LEASE

Assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of the related lease term or estimated productive life. Depreciation of the assets under capital lease is included in depreciation expense for the year. The interest expense is allocated directly to the Enterprise Fund.

The color copier is leased from Xerox Corporation requiring monthly payments of \$ 292 and the lease runs through September 30, 2007. The copier/fax machine is leased from Ervin Leasing requiring monthly payments of \$ 262 and the lease runs through July 11, 2006.

Future minimum lease payments are as follows:

2006	\$ 6,534
2007	3,912
2008	-
2009	-
2010	-
Later Years	-
Total Minimum Lease Payments	10,446
Less: Interest payments	(604)
Present Value of Minimum lease payments	<u>\$ 9,842</u>

MACATAWA AREA COORDINATING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE 7: OPERATING LEASES

In the normal course of business, operating leases are generally renewed or replaced by other leases.

The MACC leases its postage meter from Pitney Bowes in the amount of \$ 149 per month. The lease runs through August 30, 2010.

The MACC leases its operating facilities from A & C Company in the amount of \$ 1,724 per month. The lease expired July 31, 2005. The MACC is currently in discussions with the lessor and continue to pay \$ 1,724 on a month to month basis

Future minimum lease payments are as follows:

2006	\$	1,788
2007		1,788
2008		1,788
2009		1,788
2010		1,639
Later Years		-

Rental expense for all operating leases for the year ended September 30, 2005 amounted to \$ 23,359.

NOTE 8: RELATED PARTY

The Macatawa Area Coordinating Council (MACC) is a jointly governed organization whose board is composed of representatives from the governmental units which created it and where the participants have no ongoing interest or responsibility in the organization. None of the governmental units have a voting majority of the MACC.

NOTE 9: RISK MANAGEMENT

The MACC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees; and natural disasters.

The MACC carries commercial insurance for all the above mentioned types of risks of loss including general, property damage, employee health and accident insurance, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the past three years.

REQUIRED SUPPLEMENTAL INFORMATION

MACATAWA AREA COORDINATING COUNCIL
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal	\$ 98,952	\$ 149,818	\$ 75,432	\$ (74,386)
State	17,373	33,050	20,626	(12,424)
Local	110,000	110,000	110,480	480
Contributions	<u>20,000</u>	<u>38,980</u>	<u>28,700</u>	<u>(10,280)</u>
TOTAL REVENUES	<u>246,325</u>	<u>331,848</u>	<u>235,238</u>	<u>(96,610)</u>
EXPENDITURES				
Payroll Expenses	86,915	89,000	87,453	1,547
Postage	1,200	1,200	689	511
Operating Supplies	1,200	1,200	1,168	32
Educational Materials	5,000	12,500	11,271	1,229
Contractual - Legal	1,200	1,200	180	1,020
Contractual - Public Relations	11,550	6,500	5,932	568
Contractual - General	500	500	-	500
Contractual - BMP GLBP		100,000	17,032	82,968
Contractual - Planning/Land Use	10,000	-	-	-
Contractual - Evaluations/Surveys	2,000	-	-	-
Contractual - Agricultural Asst	-	4,800	3,066	1,734
Contractual - Watershed Video	-	8,280	3,000	5,280
Contractual - GVSU/AWRI	9,860	-	-	-
Contractual - Hope College	3,750	-	-	-
Contractual - BMP Implementation	-	33,050	32,967	83
Contractual - Comm Fdtn Project	10,000	6,500	6,500	-
Communications	500	650	436	214
Travel, Conferences & Seminars	4,200	5,400	5,132	268
Business Seminars	1,200	4,000	3,523	477
Miscellaneous Expense	500	500	241	259
Water Watch Supplies	500	500	-	500
Indirect Expenses	<u>59,239</u>	<u>53,938</u>	<u>52,587</u>	<u>1,351</u>
TOTAL EXPENDITURES	<u>209,314</u>	<u>329,718</u>	<u>231,177</u>	<u>98,541</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	37,011	2,130	4,061	1,931
FUND BALANCE (DEFICIT) - OCTOBER 1, 2004	<u>21,197</u>	<u>21,197</u>	<u>21,197</u>	<u>-</u>
FUND BALANCE (DEFICIT) - SEPTEMBER 30, 2005	<u>\$ 58,208</u>	<u>\$ 23,327</u>	<u>\$ 25,258</u>	<u>\$ 1,931</u>

See accompanying notes to financial statements.

OTHER SUPPLEMENTAL INFORMATION

MACATAWA AREA COORDINATING COUNCIL
SPECIAL REVENUE FUND
STATEMENT OF REVENUES
Year Ended September 30, 2005

	Watershed Project
Federal Revenues	
Environmental Protection Agency	\$ 62,575
Department of Agriculture	<u>12,857</u>
Total Federal Revenues	<u>75,432</u>
State Revenues	
Department of Environmental Quality	<u>20,626</u>
Local Revenues	
City of Holland	25,919
City of Zeeland	4,221
Holland Charter Township	24,644
Zeeland Charter Township	6,399
Township of Park	13,492
Township of Laketown	4,351
Township of Fillmore	2,113
Township of Olive	3,604
Township of Port Sheldon	3,465
Allegan County Commission	1,319
Allegan County Road Commission	3,208
Ottawa County Commission	8,383
Ottawa County Road Commission	<u>8,882</u>
Totals	<u>110,000</u>
Local Contributions	<u>28,700</u>
Investment Income	
Interest Income	<u>480</u>
Total Local Revenues, Contributions and Investment Income	<u>139,180</u>
Totals	<u>\$ 235,238</u>

MACATAWA AREA COORDINATING COUNCIL
SPECIAL REVENUE FUND
STATEMENT OF EXPENDITURES
Year Ended September 30, 2005

	<u>Watershed Project</u>		
	<u>Department of Environmental Quality</u>	<u>Local</u>	<u>Total</u>
Salaries			
Project Managers	\$ 22,400	\$ 25,139	\$ 47,539
Executive Director	8,290	10,760	19,050
Fringe Benefits	11,574	9,290	20,864
Indirect Expenses	8,453	44,134	52,587
Contract Services			
BMP Implementation	32,050	917	32,967
BMP GLBP	12,857	4,175	17,032
Community Foundation Project	-	6,500	6,500
Agricultural Assistant	-	3,066	3,066
Public Relations	5,209	723	5,932
Watershed Video	-	3,000	3,000
Legal	-	180	180
Supplies			
General Operating	603	1,254	1,857
Educational Materials	5,000	6,271	11,271
Communications	-	436	436
Travel/Conferences/Training	3,675	1,457	5,132
Business Meetings	-	3,523	3,523
Miscellaneous	-	241	241
Totals	<u>\$ 110,111</u>	<u>\$ 121,066</u>	<u>\$ 231,177</u>

MACATAWA AREA COORDINATING COUNCIL
PROPRIETARY FUND TYPES
STATEMENT OF NONOPERATING REVENUES - LOCAL
Year Ended September 30, 2005

	Enterprise Fund
Local Nonoperating Grants	
City of Holland	\$ 34,666
City of Zeeland	5,645
Holland Charter Township	32,960
Zeeland Charter Township	8,559
Township of Park	18,045
Township of Laketown	5,819
Township of Fillmore	2,826
Township of Port Sheldon	4,634
Township of Olive	4,820
Allegan County Commission	1,765
Allegan County Road Commission	4,290
Ottawa County Commission	11,212
Ottawa County Road Commission	<u>11,880</u>
Total Local Nonoperating Grants	<u>147,121</u>
Other Local Revenues	
Reimbursed Expenses	<u>52,587</u>
Investment Income	
Interest Income	<u>5,449</u>
Total Nonoperating Revenues - Local	<u>\$ 205,157</u>

**MACATAWA AREA COORDINATING COUNCIL
PROPRIETARY FUND TYPES
STATEMENT OF NONOPERATING REVENUES - FEDERAL
Year Ended September 30, 2005**

	Enterprise Fund
Federal Nonoperating Grants	
FHWA PL 112	\$ 126,894
FTA Section 5303	25,909
Congestion Mitigation/ Air Quality (CMAQ)	30,000
Non-Motorized Plan	(475)
STP - Traffic Count Program	<u>21,000</u>
 Total Nonoperating Revenues - Federal	 203,328
 State Nonoperating Grants	
State Trunkline - Asset Management	<u>11,986</u>
 Total Nonoperating Revenues - Federal and State	 \$ <u>215,314</u>

MACATAWA AREA COORDINATING COUNCIL
PROPRIETARY FUND TYPES
STATEMENT OF OPERATING EXPENSES
Year Ended September 30, 2005

	<u>ENTERPRISE FUND</u>	
Salaries	\$	146,420
Fringe Benefits		39,974
Indirect Expenses		155,423
Miscellaneous Expenses		
Travel/Conferences/Training	\$	10,148
Dues and Subscriptions		1,952
Other		<u>1,902</u>
		14,002
Contracted Services		
Congestion Mitigation/Air Quality (CMAQ)		7,929
Westrain Collaborative		1,600
Enhancement Non Motorized		-
Traffic Count Program		15,000
Other		4,865
Supplies		1,431
Depreciation		<u>7,892</u>
Total Operating Expenses	\$	<u>394,536</u>

MACATAWA AREA COORDINATING COUNCIL
PROPRIETARY FUND TYPES
STATEMENT OF NONOPERATING EXPENSES
Year Ended September 30, 2005

	Enterprise <u>Fund</u>
NONOPERATING EXPENSE	
Interest Expense	\$ <u>868</u>